

CONTRACT #3
RFS # 339.23-246

**Department of Finance &
Administration
Division of Mental
Retardation Services**

VENDOR:
**Dual Diagnosis Management,
LLC**

RECEIVED

MAY 19 2005

FISCAL REVIEW



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TENNESSEE 37243

May 18, 2005

M. D. Goetz, Jr., Commissioner
Department of Finance and Administration
State Capitol, 1st Floor
Nashville, Tennessee 37243-0285

APPROVED

[Signature]
Commissioner of Finance & Administration

Date:

Re: Request: Non-Competitive Amendment
Dual Diagnosis Management, LLC
RFS 339.23-246
FA-04-15851-00

Dear Commissioner Goetz:

1) Description of the proposed additional service and amendment effects:

The Division of Mental Retardation Services desires to use the non-competitive amendment process to:

A. Provide and complete the following additional projects by June 30, 2005:

1. Automate and conduct a pilot uniform provider cost reporting tool.
2. Develop a tracking system for home life safety inspections.
3. Redesign ICAP training for private sector staff.

B. Clarify Section C.3.

C. Extend the contract period for an additional 1 year term and increase funding.

2) Explanation of the need for the proposed amendment;

A. Provide and complete additional projects by June 30, 2005:

Completion of the projects is vital to the DMRS Blueprint on CMS agreements.

B. Clarify Section C.3.

Clarification of this section is necessary to define payments for ICAP Scoring and ICAP Assessments to Community Services clients. This contract was procured through the State's RFP process. Attachment 6.4, *Cost Proposal and Scoring Guide*, requested three (3) proposed cost items: Per Community Services ICAP, Per DMRS Operated Facility ICAP, and Per DMRS Waiting List ICAP. Community Services ICAP's should have been divided into the two (2) levels of services as follows:

1. ICAP Scoring - Assessments sent to the Contractor for correcting, processing, scoring and reporting (these are for assessments performed by other agencies and sent to the contractor for completion).
2. ICAP Assessments – Contractor performs assessments and then processes, scores, and reports to DMRS.

The intent of this contract has been to purchase both assessments and scoring of assessments for Community Services Clients.

The cost is the same for ICAP Assessments performed by the Contractor to clients in the Community Services group as those assessments performed by the Contractor to individuals in DMRS Operated Facilities and to DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs by other proposers for the same assessment (to the other service groups) were for a higher rate. (Copies of cost proposals to this RFP are attached).

C. Extend the contract period for an additional 1 year term and increase funding.

Services are needed until DMRS can provide these functions.

3) Name and address of the proposed contractor's principal owner(s);

Michael Cartwright, CEO
Dual Diagnosis Management, LLC
227 French Landing Drive
Suite 250, Nashville, Tennessee

4) Documentation of OIR endorsement of the Non-Competitive procurement request (required only if the subject service involves information technology);

Not applicable.

5) Documentation of Department of Personnel endorsement of the Non-Competitive procurement request (required only if the subject service involves training for state employees);

Not applicable.

6) Description of procuring agency efforts to identify reasonable, competitive, procurement alternatives (rather than to use non-competitive negotiation); and

None because:

A. Provide and complete additional projects by June 30, 2005:

Short time frame to meet the June 30, 2005 completion date and Dual Diagnosis is familiar with DMRS clients and its requirements for these projects.

B. Clarify Section C.3.

The cost for ICAP Assessments performed by the Contractor to clients in the Community Services group is for the same rate as assessments performed by the Contractor to individuals in DMRS Operated Facilities and DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs by other proposers for the same assessment (to the other service groups) were for a higher rate.

C. Extend the contract period for an additional 1 year term and increase funding.

The contract contains a Term Extension clause that allows the State to extend the contract by 1 year increments up to a maximum number of 5 years.

7) Justification of why the F&A Commissioner should approve a Non-Competitive Amendment;

A. Provide and complete additional projects by June 30, 2005:

The procurement of the additional services will enable DMRS to comply with its agreements with CMS. The Contractor has proven to provide quality work and the additional scope relates to the contractor's original terms.

B. Clarify Section C.3.

The cost for ICAP Assessments performed by the Contractor to clients in the Community Services group is at the same rate as assessments performed by the Contractor to individuals in DMRS Operated Facilities and DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs by the other proposers for the same assessment (to the other service recipient groups) were for a higher rate.

C. Extend the contract period for an additional 1 year term and increase funding.

The current contract, effective February 9, 2004, was procured through the State's RFP process. DMRS does not anticipate receiving any proposals for a better rate if a new RFP were developed. The RFP and the Contract contains an option to extend the contract.

8) Explanation of the reason for the request being less than 60 days of the effective amendment date;

DMRS received approval by Commissioner Goetz (copies attached) to amend this contract for the additional projects and to clarify section C.3. of the contract:

The purpose of this request is to combine previously approved requests to amend the contract into one request to alleviate confusion and to also request an extension to the term and increase funding for FY06 (DMRS already has the option to extend the term) to avoid preparing multiple amendment documents.

DMRS received approval by Commissioner Goetz (copies attached) to amend this contract for the additional projects and to clarify section C.3. of the contract:

A. January 13, 2005 - DMRS submitted a Non-Competitive Amendment Request (for Amendment 1) to Commissioner Goetz for approval to add projects.

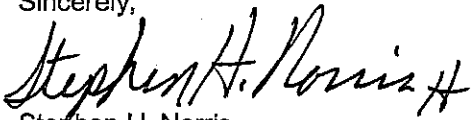
B. February 2, 2005 – Commissioner Goetz approved the request to add projects.

C. Amendment was prepared and sent to the Contractor for review and approval.

- D. March 21, 2005 – The Contractor notifies DMRS that the rate for Section C. was not correct. The Contractor did not want to sign Amendment 1 without a revision to Section C.3.
- E. Between March 21, 2005 and April 27, 2005 - DMRS reviews the original RFP and contract. DMRS program staff verifies the need to clarify Section C.3. (During this time a key staff member is out of town)
- F. 4/27/05 – DMRS submitted a second Non-Competitive Amendment Request (for Amendment 1) to Commissioner Goetz for approval to clarify Section C.3. with the intent to include approvals of revisions into one amendment.
- G. May 9, 2005 - Commissioner Goetz approved the request to Clarify Section C.3.
- H. May 16, 2005 – DMRS is notified by the Office of Contract Review that they were confused by the multiple requests pertaining to one proposed amendment.
- I. May 18, 2005 – Recommendation by Leni Chick, Fiscal Review Committee, to submit one approved request to the Fiscal Review Committee for review.

Your consideration for approval of this request is appreciated.

Sincerely,



Stephen H. Norris
Deputy Commissioner
Division of Mental Retardation Services

SHN:DD
Attachments

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS #	339.23-246		
STATE AGENCY NAME :	Department of Finance and Administration, Division of Mental Retardation Services		
SERVICE CAPTION :	Scoring and administration of the Inventory for Client and Agency Planning (ICAP)		
CONTRACT #	FA-04-15851-00	PROPOSED AMENDMENT #	1
CONTRACTOR :	Dual Diagnosis Management, LLC		
CONTRACT START DATE :	2/9/04		
CURRENT, LATEST POSSIBLE END DATE : (including ALL options to extend)	6/30/06		
CURRENT MAXIMUM LIABILITY :	\$2,225,072.00		
LATEST POSSIBLE END DATE <u>WITH PROPOSED AMENDMENT</u> : (including ALL options to extend)	6/30/06		
TOTAL MAXIMUM COST <u>WITH PROPOSED AMENDMENT</u> : (including ALL options to extend)	\$2,225,072.00		
APPROVAL CRITERIA : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service		
ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)			

(1) description of the proposed additional service and amendment effects :

The Division of Mental Retardation Services desires to use the non-competitive amendment process to:

- A. Provide and complete the following additional projects by June 30, 2005:
1. Automate and conduct a pilot uniform provider cost reporting tool.
 2. Develop a tracking system for home life safety inspections.
 3. Redesign ICAP training for private sector staff.
- B. Clarify Section C.3.
- C. Extend the contract period for an additional 1 year term and increase funding.

(2) explanation of need for the proposed amendment :

- A. Provide and complete additional projects by June 30, 2005:
- Completion of the projects is vital to the DMRS Blueprint on CMS agreements.
- B. Clarify Section C.3.
- Clarification of this section is necessary to define payments for ICAP Scoring and ICAP Assessments to Community Services clients. This contract was procured through the State's RFP process. Attachment 6.4, *Cost Proposal and Scoring Guide*, requested three (3) proposed cost items: Per Community Services ICAP, Per DMRS Operated Facility ICAP, and Per DMRS Waiting List ICAP. Community Services ICAP's should have been divided into the two (2) levels of services as follows:
1. ICAP Scoring - Assessments sent to the Contractor for correcting, processing, scoring and reporting (these are for assessments performed by other agencies and sent to the contractor for completion).
 2. ICAP Assessments - Contractor performs assessments and then processes, scores, and reports to DMRS.
- The department's intent has been to purchase both assessments and scoring of assessments for Community Services Clients.
- The cost is the same for ICAP Assessments performed by the Contractor to clients in the Community Services group as those assessments performed by the Contractor to individuals in DMRS Operated Facilities and to DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs by other proposers for the same assessment (to the other service groups) were for a higher rate.
- C. Extend the contract period for an additional 1 year term and increase funding.
- Services are needed until DMRS can provide these functions.

(3) name and address of the proposed contractor's principal owner(s):
(not required if proposed contractor is a state education institution)

Michael Cartwright, 227 French Landing Drive, Suite 250, Nashville, Tennessee 37228

(4) documentation of OIR endorsement of the Non-Competitive procurement request :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

None because:

A. Provide and complete additional projects by June 30, 2005:

Short time frame to meet the June 30, 2005 completion date and Dual Diagnosis is familiar with DMRS clients and its requirements for these projects.

B. Clarify Section C.3.

The cost for ICAP Assessments performed by the Contractor to clients in the Community Services group is at the same rate as assessments performed by the Contractor to individuals in DMRS Operated Facilities and DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs by other proposers for the same assessment (to the other service groups) were for a higher rate.

C. Extend the contract period for an additional 1 year term and increase funding.

The contract contains a Term Extension clause that allows the State to extend the contract by 1 year increments up to a maximum number of 5 years.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

A. Provide and complete additional projects by June 30, 2005:

The procurement of the additional services will enable DMRS to comply with its agreements with CMS. The Contractor has proven to provide quality work and the additional scope relates to the contractor's original terms.

B. Clarify Section C.3.

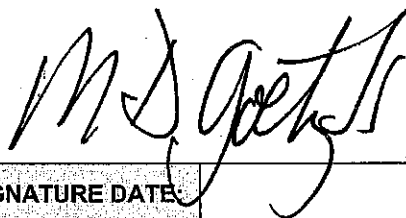
The cost for ICAP Assessments performed by the Contractor to clients in the Community Services group is at the same rate as assessments performed by the Contractor to individuals in DMRS Operated Facilities and DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs by the other proposers for the same assessment (to the other service recipient groups) were for a higher rate.

C. Extend the contract period for an additional 1 year term and increase funding.

The current contract, effective February 9, 2004, was procured through the State's RFP process. DMRS does not anticipate receiving any proposals for a better rate if a new RFP were developed. The RFP and the Contract contains an option to extend the contract.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



SIGNATURE DATE

CONTRACT SUMMARY SHEET

RFS Number:	339.23-246	Contract Number:	FA-04-15851-01
State Agency:	FINANCE AND ADMINISTRATION	Division:	MENTAL RETARDATION SERVICES
Contractor:		Contractor Identification Number:	
Dual Diagnosis Management, LLC		X	V-
			C-
		62-1730800-00	

Service Description

Scoring and Administration of the Inventory for Client and Agency Planning (ICAP) and Special Projects

Contract Begin Date				Contract End Date			
2/9/04				6/30/06			
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code	
344.02	00002	083	11	on STARS			
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount include ALL amendments		
2004	\$721,032.00				\$721,032.00		
2005	\$752,020.00				\$752,020.00		
2006	\$752,020.00				\$752,020.00		
Total:	\$2,225,072.00	\$0.00	\$0.00	\$0.00	\$2,225,072.00		

CFDA Number:	Check the box (below) ONLY if the answer is YES	
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)
Name:	Melinda Lanza, Director of Budget	Is the Contractor a VENDOR? (per OMB A-133)
Address:	500 Deaderick St., 15th Floor, Nashville, TN 37243	Is the Fiscal Year Funding STRICTLY LIMITED?
Phone:	615-253-3166	Is the Contractor on STARS?
Procuring Agency Budget Officer Signature		Is the Contractor's FORM W-9 ATTACHED?
		Is the Contractor's Form W-9 Filed with Accounts?

COMPLETE FOR ALL AMENDMENTS (only)		
	Base Contract & Prior Amendments	This Amendment ONLY
End Date	6/30/2005	6/30/2006
FY	6/30/2005	\$1,473,052.00
FY	6/30/2006	\$752,020.00
FY		
FY		
FY		
FY		
Totals:	\$1,473,052.00	\$752,020.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

**AMENDMENT ONE
TO CONTRACT FA-04-15851-00**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Mental Retardation Services, hereinafter referred to as the "State", and Dual Diagnosis Management, LLC, hereinafter referred to as the "Contractor", is hereby amended as follows:

1. Add the following as Section A.4. and renumber any subsequent sections as necessary:

A.4. Special Projects

- A.4.1. The Contractor shall complete the following by June 30, 2005:

- a. Automate and conduct a pilot uniform provider cost-reporting tool
- b. Develop a tracking system for home life safety inspections
- c. Redesign ICAP training for private sector staff.

2. Delete Section B.1. in its entirety and insert the following in its place:

- B.1. This Contract shall be effective for the period commencing on February 9, 2004 and ending on June 30, 2006. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

3. Delete Section C.1. in its entirety and insert the following in its place:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed two million, two hundred twenty five thousand, seventy two dollars (\$2,225,072.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

4. Delete Section C.3. in its entirety and insert the following in its place:

- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT PER ICAP</u>	<u>AMOUNT PER PROJECT</u>
Community Services ICAP Scoring (Assessments performed by other agencies and sent to the Contractor for correcting, processing, scoring and reporting to DMRS.)	\$ 57.44	N/A
Community Services Assessments (ICAP Assessments performed by Contractor, then processed, scored, and reported to DMRS by the Contractor.)	\$154.94	N/A
DMRS Operated Facility All Activities under A.2.	\$154.94	N/A
DMRS Waiting List All Activities under A.3.	\$154.94	N/A
Automate and conduct a pilot uniform provider cost reporting tool	N/A	\$80,000.00
Develop Tracking System for Home Life Safety Inspections	N/A	\$80,000.00
Redesign ICAP training for private sector staff	N/A	\$80,000.00

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

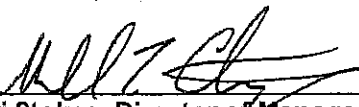
5. Delete Section E.5. in its entirety and insert the following in its place:

E.5. Annual Report and Audit. The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

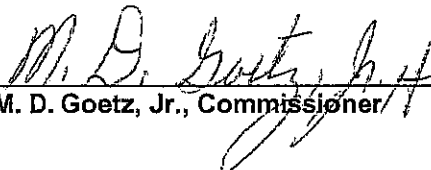
Dual Diagnosis Management, LLC:


Teri Stokes, Director of Managed Care

CEO

5-2-05
Date

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES:


M. D. Goetz, Jr., Commissioner

5-2-05
Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

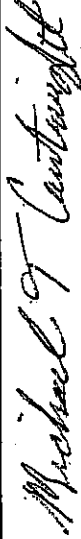
Date

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

Attachment 6.4

COST PROPOSAL & SCORING GUIDE (Instructions and State Use Only areas are shaded)				
NOTICE TO PROPOSER: This Cost Proposal MUST be completed EXACTLY as required by RFP section 3.3, et seq..				
PROPOSER NAME:	Dual Diagnosis Management, LLC			
SIGNATURE & DATE:	 11/2/04			
(Signatory must be an individual or a company officer empowered to contractually bind the Proposer. If the Signatory is not the Proposer company president, this Statement of Certifications and Assurances SHALL attach evidence showing the Signatory's authority to bind the Proposer.				
COST PROPOSAL SCHEDULE				
The proposed cost, detailed below, shall indicate the proposed price for providing the entire scope of service including all services as defined in the RFP Attachment 6.1, Pro Forma Contract Scope of Services for the total contract period. The proposed cost and the submitted technical proposal associated with this cost shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any resulting contract between the Proposer and the State. All monetary amounts are United States currency.				
Cost Item Description	Proposed Cost	State Use		
		Sum	Weight	Weighted Cost
Per Community Services ICAP	\$57.44		1	57.44
Per DMRS Operated Facility ICAP	\$154.94		1	154.94
Per DMRS Waiting List ICAP	\$154.94		1	154.94
The RFP Coordinator shall use the evaluation cost amount derived from the cost amounts proposed above and the following formula to calculate the COST PROPOSAL SCORE (calculations shall result in numbers rounded to two decimal places).		Evaluation Cost Amount: (sum of all weighted cost amounts above)		
		Lowest Evaluation Cost Amount from all Proposals: = SCORE:		
Lowest evaluation cost amount _____ X 30 Evaluation cost amount being evaluated (maximum possible score for Cost Proposal)		30.00		

ATTACHMENT 6.4

ATTACHMENT 6.4

COST PROPOSAL & SCORING GUIDE
(Instructions and State Use Only areas are shaded)

NOTICE TO PROPOSER: This Cost Proposal MUST be completed EXACTLY as required by RFP section 3.3, et seq..

PROPOSER NAME:

ARBITER CONSULTING, INC.

SIGNATURE & DATE:

 1/5/04

(Signatory must be an individual or a company officer empowered to contractually bind the Proposer. If the Signatory is not the Proposer company president, this Statement of Certifications and Assurances SHALL attach evidence showing the Signatory's authority to bind the Proposer)

COST PROPOSAL SCHEDULE

The proposed cost, detailed below, shall indicate the proposed price for providing the entire scope of service including all services as defined in the RFP Attachment 6.1, Pro Forma Contract Scope of Services for the total contract period. The proposed cost and the submitted technical proposal associated with this cost shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any resulting contract between the Proposer and the State. All monetary amounts are United States currency.

Cost Item Description	Proposed Cost	State Use		
		Sum	Weight	Weighted Cost
Per Community Services ICAP	\$ 70.00		1	70.00
Per DMRS Operated Facility ICAP	\$ 240.00		1	240.00
Per DMRS Waiting List ICAP	\$ 270.00		1	270.00
The RFP Coordinator shall use the evaluation cost amount derived from the cost amounts proposed above and the following formula to calculate the COST PROPOSAL SCORE (calculations shall result in numbers rounded to two decimal places).		Evaluation Cost Amount: (sum of all weighted cost amounts above)		
		Lowest Evaluation Cost Amount from all Proposals:		
lowest evaluation cost amount		X 30		
evaluation cost amount being evaluated		(maximum possible score for Cost Proposal)		
		= SCORE:		
		19.00		

ATTACHMENT 6.4

ATTACHMENT 6.4

COST PROPOSAL & SCORING GUIDE (Instructions and State Use Only areas are shaded)

NOTICE TO PROPOSER: This Cost Proposal MUST be completed EXACTLY as required by RFP section 3.3, et seq..

PROPOSER NAME:

The ARC of Washington County

SIGNATURE & DATE:

Wm W. Selman
January 6, 2004

(Signatory must be an individual or a company officer empowered to contractually bind the Proposer. If the Signatory is not the Proposer company president, this Statement of Certifications and Assurances SHALL attach evidence showing the Signatory's authority to bind the Proposer)

COST PROPOSAL SCHEDULE

The proposed cost, detailed below, shall indicate the proposed price for providing the entire scope of service including all services as defined in the RFP Attachment 6.1, *Pro Forma Contract Scope of Services* for the total contract period. The proposed cost and the submitted technical proposal associated with this cost shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any resulting contract between the Proposer and the State. All monetary amounts are United States currency.

Cost Item Description	Proposed Cost	State Use		
		Sum	Weight	Weighted Cost
Per Community Services ICAP	\$ 52		1	52
Per DMRS Operated Facility ICAP	\$ 305		1	305
Per DMRS Waiting List ICAP	\$ 389		1	389
<p>The RFP Coordinator shall use the evaluation cost amount derived from the cost amounts proposed above and the following formula to calculate the COST PROPOSAL SCORE (calculations shall result in numbers rounded to two decimal places).</p>		Evaluation Cost Amount: (sum of all weighted cost amounts above)		
		Lowest Evaluation Cost Amount from <u>all</u> Proposals:		
lowest evaluation cost amount		X 30		
evaluation cost amount being evaluated		= SCORE:		
		(maximum possible score for Cost Proposal)		
		14.77		



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TENNESSEE 37243**

MEMORANDUM:

To: Priscilla Wainwright
FROM: Debbie Dunn
DATE: May 11, 2005
SUBJECT: Amendment One to Contract Number FA-04-15851-00

Amendment One contains two "Request: Non-Competitive Admendment". The total maximum cost on these are different because the request approved by Commissioner Goetz on 2/9/05 was for additional services and was prepared before the amendment was prepared and because the contract could be extended for another year the decision was made to prepare one amendment to increase services and extend the date. The 2nd request was prepared to clarify Section C.3. (this is included in the amendment).

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration
Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS# 339.23-246

STATE AGENCY NAME : Department of Finance and Administration, Division of Mental Retardation Services

SERVICE CAPTION : Scoring and administration of the Inventory for Client and Agency Planning (ICAP)

CONTRACT # FA-04-15851-00

PROPOSED AMENDMENT # 1

CONTRACTOR : Dual Diagnosis Management, LLC

CONTRACT START DATE : 2/9/04

CURRENT, LATEST POSSIBLE END DATE :
(including ALL options to extend) 6/30/06

CURRENT MAXIMUM LIABILITY : \$2,225,072.00

LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT :
(including ALL options to extend) 6/30/06

TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT :
(including ALL options to extend) \$2,225,072.00

APPROVAL CRITERIA :
(select one)



use of Non-Competitive Negotiation is in the best interest of the state



only one uniquely qualified service provider able to provide the service

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects :

The Division of Mental Retardation Services desires to use the non-competitive amendment process to expand the scope of services to allow the contractor to provide assessments in addition to scoring of assessments to individuals in the Community Services group of individuals served by DMRS.

(2) explanation of need for the proposed amendment

This amendment is necessary to clarify Section C.3. of this contract. In the RFP process, the Cost Proposal and Scoring Guide (Attachment 4 of the RFP) requested three (3) proposed cost items; Per Community Services ICAP, Per DMRS Operated Facility ICAP, and Per DMRS Waiting List ICAP. The cost proposed for Community Services ICAP's should have been divided into two (2) levels of services as follows:

1. ICAP Scoring - Assessments sent to the Contractor for correcting, processing, scoring and reporting (these are for assessments performed by other agencies and sent to the contractor for completion).
 2. ICAP Assessments - Contractor performs assessments and then processes, scores, and reports to DMRS. The cost for ICAPs performed by the Contractor to clients in the Community Services group is the same cost as assessments performed by the Contractor to individuals in DMRS Operated Facilities and DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs of other proposers for the same assessment (to the other service groups) were for a higher rate. (Copies of cost proposals to this RFP are attached).
- The intent of this contract (since it's beginning date) has been to purchase 2 different level of services for Community Clients, however, this has not been clear in the RFP and contract.

(3) name and address of the proposed contractor's principal owner(s) :
(not required if proposed contractor is a state education institution)

Michael Cartwright, 227 Franch Landing Drive, Suite 50, Nashville, Tennessee 37228

(4) documentation of OIR endorsement of the Non-Competitive procurement request :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation:

DMRS did receive cost proposals for identical services but to a different group of individuals served through this agency.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

DMRS did complete a competitive process approximately 15 months ago for the same assessments to another group of individuals served by this agency (under this same contract). The existing contractor had the best proposed cost at that time.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)

SIGNATURE DATE

5-11-05



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TENNESSEE 37243

April 27, 2005

M. D. Goetz, Jr., Commissioner
Department of Finance and Administration
State Capitol, 1st Floor
Nashville, Tennessee 37243-0285

APPROVED

Commissioner of Finance & Administration

Date:

Re: Request: Non-Competitive Amendment
Dual Diagnosis Management, LLC
FA-04-15851-00

Dear Commissioner Goetz:

1) Description of the proposed additional service and amendment effects:

The Division of Mental Retardation Services desires to use the non-competitive amendment process to expand the scope of services to allow the contractor to provide assessments in addition to scoring of assessments to individuals in the Community Services group of individuals served by DMRS.

2) Explanation of the need for the proposed amendment;

This amendment is necessary to clarify Section C.3. of this contract. In the RFP process, the *Cost Proposal and Scoring Guide* (Attachment 4 of the RFP) requested three (3) proposed cost items; Per Community Services ICAP, Per DMRS Operated Facility ICAP, and Per DMRS Waiting List ICAP. The cost proposed for Community Services ICAP's should have been divided into two (2) levels of services as follows:

1. ICAP Scoring - Assessments sent to the Contractor for correcting, processing, scoring and reporting (these are for assessments performed by other agencies and sent to the contractor for completion).
2. ICAP Assessments – Contractor performs assessments and then processes, scores, and reports to DMRS.

The cost for ICAPs performed by the Contractor to clients in the Community Services group is the same cost as assessments performed by the Contractor to individuals in DMRS Operated Facilities

and DMRS Waiting List clients. The outcome of the RFP process would not have been affected because the proposed costs of other proposers for the same assessment (to the other service groups) were for a higher rate. (Copies of cost proposals to this RFP are attached).

The intent of this contract (since its beginning date) has been to purchase 2 different level of services for Community Clients, however, this has not been clear in the RFP and contract.

- 3) Name and address of the proposed contractor's principal owner(s);

Michael Cartwright, CEO
Dual Diagnosis Management, LLC
227 French Landing Drive
Suite 50, Nashville, Tennessee

- 4) Documentation of OIR endorsement of the Non-Competitive procurement request (required only if the subject service involves information technology);

Not applicable.

- 5) Documentation of Department of Personnel endorsement of the Non-Competitive procurement request (required only if the subject service involves training for state employees);

Not applicable.

- 6) Description of procuring agency efforts to identify reasonable, competitive, procurement alternatives (rather than to use non-competitive negotiation); and


DMRS did receive cost proposals for identical services but to a different group of individuals served through this agency.

- 7) Justification of why the F&A Commissioner should approve a Non-Competitive Amendment;

DMRS did complete a competitive process approximately 15 months ago for the same assessments to another group of individuals served by this agency (under this same contract). The existing contractor had the best proposed cost at that time.

Your consideration for approval of this request is appreciated.

Sincerely,



Stephen H. Norris
Deputy Commissioner
Division of Mental Retardation Services

SHN:DD
Attachments

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS # 339.23-246

STATE AGENCY NAME: Department of Finance and Administration, Division of Mental Retardation Services

SERVICE CAPTION: Scoring and administration of the Inventory for Client and Agency Planning (ICAP)

CONTRACT # FA-04-15851-00

PROPOSED AMENDMENT # 1

CONTRACTOR: Dual Diagnosis Management, LLC

CONTRACT START DATE: 2/9/04

CURRENT, LATEST POSSIBLE END DATE: 6/30/05
(including ALL options to extend)

CURRENT MAXIMUM LIABILITY: \$1,473,052.00

LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT: 6/30/05
(including ALL options to extend)

TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT: \$1,473,052.00
(including ALL options to extend)

APPROVAL CRITERIA: (select one) ☒ use of Non-Competitive Negotiation is in the best interest of the state

☐ only one uniquely qualified service provider able to provide the service

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects:

Automate provider cost report; create tracking of home inspections; develop ICAP.

(2) explanation of need for the proposed amendment:

These 3 activities are due within 90 days for CMS improvement plan.

(3) name and address of the proposed contractor's principal owner(s):
(not required if proposed contractor is a state education institution)

Michael Cartwright, 227 Franch Landing Drive, Suite 50, Nashville, Tennessee 37228

(4) documentation of OIR endorsement of the Non-Competitive procurement request:
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request:
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation:

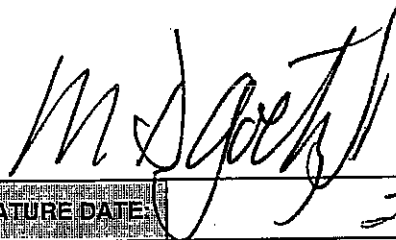
No internal resources available in timeframe to complete.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment:

The three additional activities to the current scope of the contract are vital to the DMRS Blueprint on CMS agreements and needs to be completed without any delay. This contractor was awarded this contract through the rfp process a year ago and has proven to provide quality work.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OOR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



SIGNATURE DATE

2-9-05



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TENNESSEE 37243

January 13, 2005

M. D. Goetz, Jr., Commissioner
Department of Finance and Administration
State Capitol, 1st Floor
Nashville, Tennessee 37243-0285

APPROVED

Commissioner of Finance & Administration

Date:

Re: Request: Non-Competitive Amendment
Dual Diagnosis Management, LLC
FA-04-15851-00

Dear Commissioner Goetz:

1) Description of the proposed additional service and amendment effects:

The Division of Mental Retardation Services desires to use the non-competitive amendment process to expand the scope of services to allow the contractor to automate and conduct a pilot uniform provider cost reporting tool, develop tracking system for home life safety inspections, and redesign ICAP training for private sector staff.

2) Explanation of the need for the proposed amendment;

These additional products are vital to the DMRS Blueprint on CMS agreements

3) Name and address of the proposed contractor's principal owner(s);

Michael Cartwright, CEO
Dual Diagnosis Management, LLC
227 French Landing Drive
Suite 50, Nashville, Tennessee

4) Documentation of OIR endorsement of the Non-Competitive procurement request (required only if the subject service involves information technology);

Not applicable.

- 5) Documentation of Department of Personnel endorsement of the Non-Competitive procurement request (required only if the subject service involves training for state employees);

Not applicable.

- 6) Description of procuring agency efforts to identify reasonable, competitive, procurement alternatives (rather than to use non-competitive negotiation); and

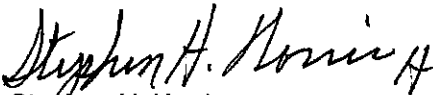
None - Short time frame for completion of these activities

- 7) Justification of why the F&A Commissioner should approve a Non-Competitive Amendment;

The procurement of the additional services will enable DMRS to comply with its agreements with CMS. The contractor was awarded this contract through the rfp process a year ago and has proven to provide quality work and the additional scope relates to the contractor's original terms.

Your consideration for approval of this request is appreciated.

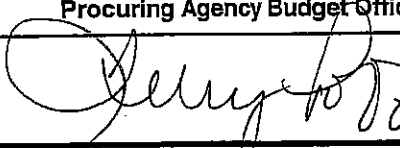
Sincerely,



Stephen H. Norris
Deputy Commissioner
Division of Mental Retardation Services

SHN:DD
Attachments

CONTRACT SUMMARY SHEET

RFS Number: 339.23-246		Contract Number: FA-04-15851-00	
State Agency: Department of Finance and Administration		Division: Mental Retardation Services	
Contractor		Contractor Identification Number	
Dual Diagnosis Management, LLC		<input checked="" type="checkbox"/> V- <input type="checkbox"/> C-	62-17308000-00
Service Description			
Scoring and Administration of the Inventory for Client and Agency Planning (ICAP)			
Contract Begin Date		Contract End Date	
02-09-04		06-30-05	
Allotment Code	Cost Center	Object Code	Fund
339.23 344.02	00002	082	11
		<input type="checkbox"/> on STARS	
FY	State Funds	Federal Funds	Total Contract Amount (including ALL amendments)
03/04	721,032.00		721,032.00
04/05	752,020.00		752,020.00
Total:	1,473,052.00		1,473,052.00
CFDA #	Check the box ONLY if the answer is YES:		
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name: Terry Poff, Administrative Services Director		Is the Contractor a VENDOR? (per OMB A-133) <input checked="" type="checkbox"/>	
Address: 15 th Floor, 500 Deaderick Street		Is the Fiscal Year Funding STRICTLY LIMITED? <input checked="" type="checkbox"/>	
Phone: (615) 253-3166		Is the Contractor on STARS? <input checked="" type="checkbox"/>	
Procuring Agency Budget Officer Approval Signature		Is the Contractor's FORM W-9 ATTACHED?	
 2/24/04		Is the Contractors Form W-9 Filed with Accounts? <input checked="" type="checkbox"/>	
COMPLETE FOR ALL AMENDMENTS (only)		Funding Certification	
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
END DATE →			
FY:			
FY:			
FY:			
FY:			
FY:			
Total:			

RECEIVED
 2004 MAR 16 AM 11:16
 COMPTROLLER'S OFFICE
 OFFICE OF
 MAINTENANCE SERVICES

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
AND
Dual Diagnosis Management, LLC**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, Division of Mental Retardation Services (DMRS), hereinafter referred to as the "State", or DMRS and Dual Diagnosis Management, LLC, hereinafter referred to as the "Contractor," is for the provision of scoring and administration of the Inventory For Client and Agency Planning (ICAP), as further defined in the "SCOPE OF SERVICES."

The Contractor is A FOR-PROFIT CORPORATION. The Contractor's address is:

220 Venture Circle
Nashville, Tennessee 37228

The Contractor's place of incorporation or organization is Tennessee.

A. SCOPE OF SERVICES:

COMMUNITY SERVICES

- A.1. The Contractor must be able to provide scoring, data maintenance and report generation for up to 10,000 individuals receiving home and community-based services whose Inventory For Client and Agency Plannings (ICAPs) have been completed.

A.1.1. Procedure/Scoring:

1. The Contractor will score each Inventory For Client and Agency Planning (ICAP) assessment when received from the examiners contracted by DMRS using the ICAP compuscore software.
2. The Contractor will enter the scoring data into the ICAP compuscore software.
3. The Contractor will return scoring information to the submitting organization within seven (7) working days following the receipt of the assessment.
4. The Contractor will keep a log of errors in submission by agency/unit and arrival/mailling dates. This information will be provided as requested by the DMRS.
5. The Contractor will provide the Independent Support Coordinator (ISC) Agency an electronic and/or faxed copy of the ICAP report at the same time the assessment and client report is sent to the submitting organization (within seven (7) working days).
6. At the conclusion of the first year, the Contractor shall randomly divide the remaining population of persons receiving services into two groups. One group will receive a second ICAP in the second year. The other group will receive a second ICAP in the third year.
7. The Contractor will complete data entry for each ICAP response booklet.

8. The Contractor will purchase ICAP compuscore software.
9. The Contractor will send the completed ICAP response booklet to the agency that administers the ICAP and a copy to the Independent Support Coordination Agency.
10. The Contractor will send an adequate supply of self-addressed stamp envelopes for mailing ICAP response booklets to all DMRS agencies that administer the ICAP.

A.1.2. Data/Maintenance:

1. The Contractor will maintain scored data in the ICAP database.
2. The Contractor will submit quarterly a copy of the data in either Access or Excel format as requested by DMRS.
3. The Contractor will ensure that a backup system for the data is in place and, at minimum, backs up ICAP data daily.
4. The Contractor agrees that ICAP data is the property of DMRS.
5. The Contractor agrees that the data maintained in an Access or Excel format is the property of DMRS.
6. The Contractor assures the confidentiality of the data.

A.1.3. Report Generation:

1. The Contractor will hold in reserve report views not otherwise specified in this section.
2. The following reports will be submitted by the Contractor to DMRS on a quarterly basis:
 - A. Mean ICAP service level scores and mean generalized maladaptive behavior scores for each provider agency and ISC agency.
 - B. Mean ICAP service level scores and mean generalized maladaptive behavior scores for each developmental center.
 - C. Mean ICAP service level scores and mean generalized maladaptive behavior scores for individuals on the waiting list.
 - D. Mean ICAP service level scores and generalized maladaptive for the three DMRS regions.
 - E. Comparison of ICAP service level scores and domain scores for persons receiving DMRS services from community providers, developmental centers, and waiting list individuals.
 - F. Comparison of mean ICAP service level scores and domain scores for individuals by residential, community, developmental center, or waiting list service.
3. The following reports will be submitted to DMRS beginning the end of the second quarter of the second year:

- A. Comparison of annual changes in mean ICAP service level scores and mean generalized maladaptive behavior scores for each provider agency and ISC agency.
- B. Comparison of annual changes in mean ICAP service level scores and mean generalized maladaptive behavior scores for each developmental center.
- C. Comparison of annual changes in mean ICAP service level scores and mean generalized maladaptive behavior scores for individuals grouped by provider agency, ISC agency, developmental Center, and region.
- D. At the end of each contract year, the Contractor provides community providers with a data disk in Excel format with their data for organizational use.
- E. The contractor will purchase and install ICAP software for ISC agencies statewide. Currently there are 15 agencies in 18 locations.
- F. After initial assessments are completed by community agencies, contractor will randomly select 50% to redo so the contractor will need to score those 50% additional 12 months of start of contract.

A.1.4. Independent Assessments

- 1. The contractor will complete the ICAP on remedial order class members, approximately 180 people, and settlement agreement class members, approximately 750 people, who receive community services.
- 2. The ICAP will be completed by the contractor, as directed by DMRS procedures and video, 100 days prior to the person's Individual Support Plan (ISP) effective date.
- 3. The contractor will forward to the service provider and the ISC agency the ICAP response booklet and score in their same 100 days period prior to each person's ISP effective date.
- 4. DMRS will furnish the name, locations and contract information of these individuals by March 1, 2004 to begin process.
- 5. DMRS will train the contractor's trainer/staff in the DMRS assessment procedures and modifications to ICAP booklet by March 1, 2004 prior to the contractor beginning to complete an ICAP. Each evaluator **must** be trained prior to completing ICAPs using the DMRS handouts and video.
- 6. Contractor will submit scores on each person to DMRS Central Office monthly.
- 7. After initial assessments are complete 12 months from start of contract, the contractor will reassess 50% of class members.

DMRS OPERATED FACILITIES

- A.2. The Contractor must be able to administer ICAP, score, maintain data, and generate reports for up to 800 individuals residing in DMRS operated facilities.

A.2.1. Procedure for Independent Assessment

1. For each current resident of Arlington Developmental Center (ADC), the Contractor will complete the ICAP response booklets, score and enter each ICAP assessment into a database by June 1, 2004.
2. For each current resident of Clover Bottom Developmental Center (CBDC) and Greene Valley Developmental Center (GVDC), the Contractor will complete the ICAP response booklets, score and enter each ICAP assessment into a database by August 1, 2004.
3. The Contractor will submit the ICAP response booklets and individual ICAP reports to ADC by June 30, 2004. Additionally, the Contractor will submit the database for ADC residents to ADC by DMRS by June 30, 2004 in Excel format.
4. The Contractor will submit the ICAP response booklets and individual ICAP reports of CBDC residents to CBDC and ICAP reports of GVDC residents to GVDC by August 1, 2004. Additionally, the Contractor will submit the database for CBDC residents to CBDC and the database for GVDC residents to GVDC and both databases to DMRS by August 30, 2004 in Excel format.
5. The Contractor is responsible for insuring ICAP response booklets are fully completed as required by DMRS.
6. The Contractor is responsible for scoring ICAP assessment by entering data into an ICAP compuscore software.
7. The Contractor will keep a log of errors in submission by agency/unit and a log of arrival and mailing dates. The Contractor will provide this information to DMRS if requested by DMRS.
8. Each DMRS agency that administers the ICAP will provide the Contractor with the name of a person and address for return of the ICAP response booklets.
9. The Contractor will insure that all current residents of the three Developmental Centers are reassessed annually using the ICAP.
10. The Contractor will complete data entry of each ICAP response booklet.
11. The Contractor will purchase ICAP compuscore software which is compatible with Windows.

A.2.2. Facility Assessment Data Maintenance:

1. The Contractor will maintain scored data in the ICAP database.
2. The Contractor will update the ICAP database as new assessments occur.
3. The Contractor will import Physical Status Report (PSR) data on all current Developmental Center residents and all updates as they occur into Excel or Access.
4. The Contractor will merge the assessment data of each resident from the PSR from each Center with the ICAP database.

5. The Contractor will submit a copy, to each Developmental Center and to DMRS, of the database in Excel format as each Center's data is complete and requested by DMRS thereafter.
6. As part of Contractor assurances, the Contractor will ensure a backup system for the data is in place that, at minimum, backs up the ICAP and PSR data daily.
7. The Contractor agrees that the ICAP and PSR data is the property of DMRS.
8. The Contractor agrees that data maintained in an Access or Excel format is the property of DMRS.
9. The Contractor will assure the confidentiality of the data.

A.2.3. Report Generation:

1. The individual client reports from the ICAP compuscore software will be mailed to the relevant Center and a copy will be sent electronically as well.
2. The Contractor shall hold in reserve a total of 5 special data sorts (report views not otherwise specified in this section) to be used at the discretion of DMRS.
3. The following reports will be submitted to DMRS and Developmental Centers once each Center's residents have been assessed:
 - A. Mean and range of ICAP service level scores and mean and range of generalized maladaptive behavior scores for each developmental center and aggregated across all three centers.
 - B. Mean and range of ICAP service level scores and mean and range of generalized maladaptive behavior scores for each living unit of each developmental center.
4. The following reports will be submitted to DMRS beginning the end of the second year assessments and each year thereafter for the term of the contract:
 - A. Annual changes in mean ICAP service level scores and mean generalized maladaptive behavior scores for each developmental center and aggregated across all three Centers.
 - B. Comparison of annual changes in mean ICAP service level scores and mean generalized maladaptive behavior scores for individuals residing in each developmental center and aggregated across all three Centers.
5. The Contractor will work with DMRS to develop customized reports using the Physical Status Review (PSR) data.
6. DMRS will furnish the PSR data to the Contractor so the Contractor can prepare reports utilizing PSR and ICAP results for each person and each DMRS operated facility.
7. DMRS will furnish training to contractor's staff on DMRS procedures and modifications to ICAP booklet prior to the contractor beginning to complete any ICAPs. Contractor will train each employee with DMRS handouts and video before they complete ICAPs.

DMRS WAITING LIST

- A.3. The Contractor must be able to administer ICAP, score, maintain data, and generate reports for up to 5000 individuals on DMRS Waiting List within six (6) months of request by DMRS. Prior to completing ICAPs, each evaluator must be trained in DMRS procedures and modifications response booklet.

A.3.1. Procedures/Scoring:

1. The Contractor is responsible for ensuring ICAP response booklets are fully completed as required by DMRS.
2. The Contractor is responsible for scoring the response booklets by entering data into an ICAP compuscore software.
3. The Contractor will keep a log of errors in submission by agency/unit and a log of arrival and mailing dates. The Contractor will provide this information to DMRS if requested by DMRS.
4. DMRS will provide the Contractor with the name of a person and address for return of the ICAP response booklets.
5. The Contractor will complete data entry of each ICAP response booklet.

A.3.2. Data Maintenance:

1. The Contractor will maintain scored data in the ICAP database.
2. The Contractor will update the ICAP database as new assessments occur.
3. The Contractor will submit a copy, to each DMRS Regional Office and to DMRS, of the database in Excel or Access format as each region's data is complete and requested by DMRS thereafter.
4. As part of Contractor assurances, the Contractor will ensure a backup system for the data is in place that, at minimum, backs up the ICAP data daily.
5. The Contractor agrees that the ICAP and PSR data is the property of DMRS.
6. The Contractor agrees that data be maintained in an Excel or Access format is the property of DMRS.
7. The Contractor will assure the confidentiality of the data.

A.3.3. Report Generation:

1. The individual client reports from the ICAP compuscore software will be mailed to the relevant DMRS Regional Office Intake Unit and a copy will be sent electronically as well.
2. The Contractor shall hold in reserve a total of 5 special data sorts (report views not otherwise specified in this section) to be used at the discretion of DMRS.
3. The following reports will be submitted to DMRS and Developmental Centers once each Center's residents have been assessed:

- A. Mean and range of ICAP service level scores and mean and range of generalized maladaptive behavior scores for each developmental center and aggregated across all three centers.
 - B. Mean and range of ICAP service level scores and mean and range of generalized maladaptive behavior scores for each living unit of each developmental center.
- 4. The following reports will be submitted to DMRS beginning the end of the second year assessments and each year thereafter for the term of the contract:
 - A. Annual changes in mean ICAP service level scores and mean generalized maladaptive behavior scores for each developmental center and aggregated across all three Centers.
 - B. Comparison of annual changes in mean ICAP service level scores and mean generalized maladaptive behavior scores for individuals residing in each developmental center and aggregated across all three Centers.
- 5. DMRS will furnish training/video on DMRS procedures and modifications to ICAP booklet prior to completion of any ICAPs by the contractor's employees. Each employee must be trained on the DMRS procedures prior to completion of any ICAPs.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on February 9, 2004, and ending on June 30, 2005. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed one million four hundred seventy-three thousand, fifty-two dollars (\$1,473,052). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the

Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

<u>SERVICE UNIT/MILESTONE</u>	<u>AMOUNT PER ICAP</u>
Community Services	\$57.44
All activities under A.1.	
DMRS Operated Facility	\$154.94
All activities under A.2.	
DMRS Waiting List	\$154.94
All activities under A.3.	

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.

C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.

C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the

Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least sixty (60) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under **Tennessee Code Annotated**, Sections 9-8-101 through 9-8-407.

- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Brian Dion, State Director of Residential Supports and Provider Development
Department of Finance and Administration
Division of Mental Retardation Services
Andrew Jackson Building
500 Deaderick Street, Suite 1500
Nashville, Tennessee 37243
TELEPHONE NUMBER: (615) 532-5756
FACSIMILE NUMBER: (615) 253-2239

The Contractor:

Teri Stokes, Director of Managed Care
Dual Diagnosis Management, LLC
220 Venture Circle
Nashville, Tennessee 37228
(615) 345-3206
1-877-431-9568

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by

the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.5. Annual Report and Audit. The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives \$300,000 or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.
- E.6. State Ownership of Work Products. The State shall have all ownership right, title, and interest, including ownership of copyright, in all work products created, designed, developed, derived, documented, installed, or delivered to the State under this Contract. The State shall have royalty-free and unlimited rights to use, disclose, reproduce, or publish, for any purpose whatsoever, all said work products. The Contractor shall furnish such information and data upon request of the State, in accordance with the Contract and applicable State law.

- E.7. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of **Tennessee Code Annotated**, Section 12-7-101, *et. seq.*, shall be printed unless a printing authorization number has been obtained and affixed as required by **Tennessee Code Annotated**, Section 12-7-103 (d).
- E.8. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.9. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract document and its attachments
 - b. All Clarifications and addenda made to the Contractor's Proposal
 - c. The Request for Proposal and its associated amendments
 - d. Technical Specifications provided to the Contractor
 - e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.10. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

- E.11. Public Funding Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Contractor relative to this Contract shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Contractor shall be approved by the State.
- E.12. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.

- E.13. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law including but not limited to the Health Insurance Portability Accountability Act (HIPAA), state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.14. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.

- E.15. Public Accountability. If this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor agrees to display a sign stating:

"NOTICE: This Contractor is a recipient of taxpayer funding. If you observe an employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller's toll free hotline: 1-800-232-5454"

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public passes to receive State funded services.

- E.16. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites

within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.

E.17. Date/Time Hold Harmless. As required by **Tennessee Code Annotated**, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.

E.18. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by **Tennessee Code Annotated**, Section 8-6-106.

E.19. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in **Tennessee Code Annotated**, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System, provides that if a retired member returns to State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to the Tennessee Consolidated Retirement System the amount of retirement benefits the Contractor received from the Retirement System during the period of this Contract.

E.20. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it and its principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement,

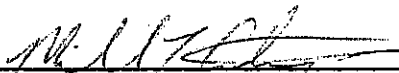
theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

- c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.

E.21. HIPAA Compliance. Contractor warrants to the State that it is familiar with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the State in the course of performance of the contract so that both parties will be in compliance with HIPAA, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the State and Contractor in compliance with HIPAA, including but not limited to business associate agreements.

IN WITNESS WHEREOF:

Dual Diagnosis Management, LLC
220 Venture Circle
Nashville, Tennessee 37228:


Teri Stokes, Director of Managed Care

1/30/04
Date

**DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES:**


M. D. Goetz, Jr., Commissioner

1/27/04
Date

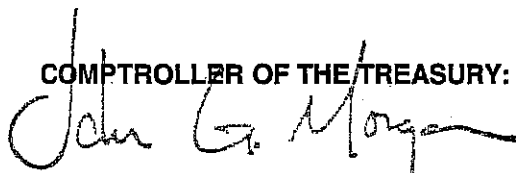
APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:


M. D. Goetz, Jr., Commissioner

MAR 16 2004
Date

COMPTROLLER OF THE TREASURY:


John G. Morgan, Comptroller of the Treasury

3/16/04
Date